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Testimony of Representative Morgan Rielly presenting
LD 1694, An Act to Provide an Income Tax Credit for Certain Disaster Mitigation Projects for Working Waterfront Property
Before the Joint Standing Committee on Taxation

Good afternoon, Senator Grohoski, Representative Cloutier and distinguished members of the Joint Standing Committee on Taxation. My name is Morgan Rielly, and I represent House District 127, which includes part of Westbrook. I am here today to present **LD 1694, An Act to Provide an Income Tax Credit for Certain Disaster Mitigation Projects for Working Waterfront Property.**

The December 2023 and January 2024 storms were devastating to Maine's working waterfronts along our coast. At least 60% of Maine's working waterfront was either severely damaged or wiped out completely by the storms, which caused an estimated $90 million in damage to public infrastructure

Much of our working waterfront infrastructure is privately owned and is the cornerstone holding together Maine's marine economy. This infrastructure is essential for fishermen and aquaculturists up and down our coast to access the shores and waters that support their families and communities. In 2019, our Marine economy provided $3.2 billion in economic output and supported 33,300 jobs (2019 Sea Maine report). Our state's working waterfronts, the infrastructure and points of access that support this economic activity, are already under intense pressure, with only 20 miles remaining along Maine's 5,000 miles of coastline.

Since the storms, the Legislature approved LD 1 to establish the State Resilience Office within the Maine Office of Community Affairs as well as funded programs to strengthen homes, improve flood readiness and support emergency response and communication systems. The measure builds on the $60 million approved last year to support the recovery and rebuilding of Maine communities and businesses following the storms.

Further, earlier this month, Governor Mills announced the award of $8 million in grant funding through the state's Community Resilience Partnership to help communities protect people, businesses and infrastructure from flooding, storm surge and other climate effects. This funding will support projects in 166 communities. However, this funding would be used for public working waterfront properties.

Although we have done a lot of great work to mitigate future climate-related disasters, there is still a significant need to fund projects that protect private working waterfront infrastructure that many businesses rely upon. Especially smaller private working waterfronts, typically used by ten or less aquaculturists or commercial fishermen.

LD 1694 mirrors Sen. King's proposed bipartisan legislation in Congress to extend the income tax credit for state income. This will provide an added incentive and support for Maine's working waterfront businesses to make the necessary investments to ensure their infrastructure is resilient in the face of future storms.

I don't want working waterfront families to be something purely of fading memories that are passed down and become a piece of family lore. We're seeing that already. My fear is that, in the future, an aging former oyster farmer will take their grandchildren to point out where their dock once stood that was dismantled and never rebuilt after increasingly powerful storms or where fishing communities once thrived that are now developed into high-end restaurants and seaside condos because it was too costly for them to rebuild. Failure to make our working waterfronts resilient doesn't just threaten a key part of our state's economy, it also puts our maritime heritage at risk.

Thank you very much for your time and consideration. I'm happy to answer any questions and provide any information for the upcoming worksession.